

JANUARY 4, 1993

THE ACTING DIRECTOR OF THE DIVISION OF STATE LANDS & FORESTRY TOOK FORMAL ACTION ON JANUARY 4, 1993, AT 9:30 A.M. IN THE DIVISION OF STATE LANDS & FORESTRY OFFICE, 355 WEST NORTH TEMPLE, 3 TRIAD CENTER, SUITE 400, SALT LAKE CITY, UTAH 84180-1204, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

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SURFACE ESTATE BUSINESS MATTERS

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GRAZING PERMITS

ASSIGNMENT OF GP 22151

Dick Bennett, Box 158, Manila, Utah 84046, has requested permission to assign 100% of his interest in the above-referenced grazing permit to Alex Radosevich et al, Box 175, Dutch John, Utah. There are 15.42 AUMs in the permit, so the \$20.00 minimum fee was submitted.

Upon the recommendation of Mr. Bagley, Mr. Carter approved the assignment of GP 22151.

EXPIRATION OF GRAZING PERMIT NO. 21652

First National Land Reserve c/o Dynamic American Corp., P.O. Box 21125, Salt Lake City, UT 84121, did not renew the above-referenced grazing permit which expired on April 30, 1991. This permit was found on the computer to still be in Application status. The Permittee was contacted by Certified Mail on November 25, 1992, and advised that the permit would be canceled in thirty days if no correspondence was received requesting renewal. None was received. Therefore, Division records should note that the permit expired on April 30, 1991.

Upon the recommendation of Ms. Knight, Mr. Carter approved the expiration of GP 21652.

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EASEMENTS

EASEMENT 153 - CANCELLATION OF APPLICATION AND REFUND OF FEES

On March 23, 1992, the Division received an application from Randolph Land and Livestock, PO Box 133, Randolph, Utah 84064, for an easement on State land near Randolph, Utah. On November 3, 1992, a letter was sent to the applicant requesting that a center-line legal description for the proposed easement be forwarded to the Division by December 31, 1992. No reply was received. Therefore, Easement application no. 153 should be cancelled, the \$234.00 pre-paid easement fee should be refunded to the applicant, and the \$50.00 non-refundable application fee should be forfeited to the State.

Upon the recommendation of Mr. Tripp, the Director cancelled Easement application no. 153.

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EASEMENTS (CONT'D)

EASEMENT NO. 186

APPLICANT'S NAME AND ADDRESS

MESA PIPELINE CO.
2210 HIGHWAY 6 & 50, SUITE 208
GRAND JUNCTION, CO 81505

LEGAL DESCRIPTION:

Township 16 South, Range 24 East, SLB&M

Section 2: A right of way 15 feet in width and 2310 feet in length
being 7.5 feet on each side of the following described
survey line.

Beginning at a point on the west line of Section 2,
Township 16 South, Range 24 East of the Salt Lake Base and
Meridian, whence the southwest corner thereof bears
southerly 2,647.4 feet, thence South 75°55' East 381 feet,
thence South 84°50' East 1929 feet, containing .02 acres,
more or less.

COUNTY: GRAND ACRES: .02

FUND: SCHOOL

PROPOSED ACTION:

The applicant is requesting an easement for a 4" (o.d.) pipeline line for
the above-described location.

RELEVANT FACTUAL BACKGROUND:

The applicant is proposing to install a 4-inch (o.d.) pipeline. This will
be a surface pipeline and will be placed above an existing sub-surface
pipeline.

CRITERIA FOR EVALUATION

R640-100-200(1)(a) requires that one or more of the following plans be
implemented:

- (i) General management plans
- (ii) Comprehensive management plans
- (iii) Site-specific plans
- (iv) Resource plans

EASEMENTS (CONT'D)

EASEMENT NO. 186 (cont'd)

R640-100-300 gives the Division guidance as to what type of plan should be required. Paragraph 2 of this rule indicates that site-specific planning is initiated either by:

- (a) an application for a trust land use or a sovereign land use,
or
- (b) the identification by the Division of an opportunity for
commercial gain in a specific area.

A site-specific plan is defined in R640-1-2 as follows:

Plans prepared for state lands which provide direction for specific actions. Site-specific plans shall include, but not be limited to:

- 1. Records of Decision in either summary or narrative form.
- 2. Board action that designates specific parcels of land for
specific use(s) or designations.

Easements are excluded from the narrative record of decision process if all of the following four conditions exist:

- 1. The proposed easement is not located entirely on State land
or, if it is located entirely on State land, it is located in
an existing corridor.
- 2. The proposed easement term is 30 years or less.
- 3. The applicant has paid the fee determined by the Division.
- 4. The proposed easement will not have an unreasonably adverse
affect on the developability or marketability of the subject
property.

R640-100-400(1) requires the Division, when conducting site-specific planning, to consider:

- (a) a comparative evaluation of the commercial gain potential of
the proposed use with competing or existing uses;
- (b) the effect of the proposed use on adjoining state lands;
- (c) an evaluation of the proposed use or action with regard to
natural and cultural resources, if appropriate;
- (d) the notification of, and environmental analysis of, the
proposed use provided by the public, federal, state, and
municipal agencies through the Resource Development
Coordinating Committee (RDCC) process; and

EASEMENTS (CONT'D)

EASEMENT NO. 186 (cont'd)

- (e) any further notification and evaluation (i.e. cultural resource surveys, appraisals to determine fair market value, etc.) as required by applicable rules.

Easement charges are determined pursuant to R640-40-600:

The Board may annually establish minimum fees for easements based on the cost incurred by the division in administering the easement and the fair-market value of the particular use. The Division shall determine the use fee based on comparable fees for similar uses on properties having similar physical, geographical or ownership characteristics, or the annually specified minimum for the particular use; however, no fee shall be established for easements which is less than 80 percent of the appraised value of the property involved, except in the case of roads where no fee shall be established which is less than 100 percent of the appraised value of the property involved.

EVALUATION OF FACTS:

R640-100-300 discusses four types of plans, one of which is a site-specific plan. The site-specific plan in this case was initiated by an application for a trust land use.

A summary of the criteria considered in this site-specific plan is as follows:

- a. There is no other proposed use(s) that would generate a higher economic return. The proposed easement will return the highest economic benefit for all current uses.
- b. The proposed use will not have an adverse effect on the adjoining property.
- c. A cultural resource survey was not required since the ground had already been completely disturbed by an existing sub-surface pipeline.
- d. RDCC was notified and provided the following comments:

The Division of Wildlife Resources indicates that the subject property is critical summer range for deer and elk. They recommended that no construction take place between May 15 and July 1 to minimize impacts to these species.

The Division response indicated that their recommendations and concerns would be passed on to the applicant.

- e. Public notice of this proposal did not elicit any comments.

EASEMENTS (CONT'D)

EASEMENT NO. 186 (cont'd)

The proposed easement is not located entirely on State land, and is located in an existing easement corridor. The easement will be for a term of thirty years, and the applicant has paid the indicated fees. As far as staff has been able to determine, there will be no adverse effect on the marketability or developability of the subject property. This summary will constitute the record of decision.

The standard fee for a 4" (o.d.) pipeline easement is \$12.00/rod. Preliminary modeling indicates the property would have to be worth more than \$2,640.00 per acre in order to exceed the per rod rate. The land value in this area is estimated to be worth less than \$500.00/acre based on comparable sales in this area. Therefore, the per rod rate will be used to determine the easement fee. Based on the \$12.00/rod rate and a length of 140 rods, the easement fee will be \$1,680.00 (140 rods x \$12.00). The applicant has paid this amount.

Upon recommendation of Mr. Parmenter, the acting Director, Kevin Carter, approved the above-described application for an easement with the fee being \$1,680.00, plus a \$50.00 application fee, and a \$20.00 administrative fee being assessed every three years beginning January 1, 1996. An advertising deposit was received in the amount of \$65.00 by the Division. Only a portion of the (\$49.50) of these funds were used and the balance (\$15.50) is to be returned to the applicant.

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SPECIAL USE LEASES

SPECIAL USE LEASE NO. 419 (LEASE SITE AND RENTAL REVIEW - PAYMENT OF 1991 AND 1992 RENTAL INCREASES AND LATE FEES).

SULA 419 is leased to Halbet Properties, Inc., 150 North Virginia, Salt Lake City, UT 84103.

ANNUAL RENTAL

The review date for this lease generated by the computer was set for 5-1-92, although it could have been reviewed 5-1-91, the date in which the rental increase provided for in the May 1, 1987 amendment became effective. Section 2.1.2 of the amended agreement specifically provides that the annual rental is to be increased from \$10,000.00 per year to \$20,000.00 per year, effective May 1, 1991, as a minimum base annual rental. Prior to the May 1992 billing, a certified notice was sent to the lessee with notification that the rental was to have been paid according to the lease provisions, not based on the amount originally indicated on the courtesy billings as early as 1991. After receiving proposals from the lessee that were deemed by the Division to be unsatisfactory, the Division again informed the lessee by certified mail and telephone that the increased rental amounts \$10,000 x 2 = \$20,000, plus 6% late fees (\$1,200) must be paid prior to December 21, 1992 to avoid cancellation of the lease. The lessee submitted the requested amounts on 12-18-92. The lessee has proposed that we again consider amending the lease in 1993. The Division will consider any future amendment proposals but they will be subject to approval by the Director.

New lease fee: \$20,000 divided by Acres in lease: 807 = \$/Ac: \$24.78.

The \$21,200.00 amount submitted 12-18-92 is to be applied as follows:

May 1, 1991 (increase in payment)	\$10,000.00
May 1, 1992 (increase in payment)	10,000.00
Late fees @ 6% of subtotal	<u>1,200.00</u>
TOTAL	\$21,200.00

DUE DILIGENCE: Only a portion of the skiing area (original winter lease) of the proposed development allowed by the lease has occurred. There is a provision in the lease to allow it to revert back to the original lease, subject to certain terms and conditions. It is recommended that the lease be kept in force.

PROPER USE: The leased premises are being used in accordance with the lease agreement.

ADEQUATE BOND COVERAGE: A bond was not required.

SPECIAL USE LEASES (CONT'D)

SPECIAL USE LEASE NO. 419 (LEASE SITE AND RENTAL REVIEW - PAYMENT OF 1991 AND 1992 RENTAL INCREASES AND LATE FEES) (cont'd)

ESTABLISHMENT OF WATER RIGHTS: There are no water rights associated with this SULA.

POLLUTION AND SANITATION REGULATIONS: The lessee is in compliance with the pollution, sanitation, and waste provisions of the lease.

NEXT REVIEW DATE: May 1, 1994.

Upon recommendation of Mr. Bagley, the acting Director, Kevin Carter, approved the above-described review for SULA 419.

SULA 513 ASSIGNMENT OF SPECIAL USE LEASE

Mr. Robert G. Weaver, P. O. Box 67, Bicknell, Utah 84751, has requested the Division's permission to assign his interest in the above-referenced Special Use Lease to Tercero Corporation, 4400 One Williams Center, Tulsa, OK 74172-0144.

Upon the recommendation of Mr. Brown, the acting Director, Kevin Carter, approved the assignment of SULA 513.

REJECTION OF SPECIAL USE LEASE APPLICATION NO. 953

Bluff City Historical Preservation Association, P.O. Box 76, Bluff, UT 84512. On November 12, 1992, Record of Decision 92-0826-PS6812, et al, was approved by the Director rejecting Special Use Lease Application No. 953. The \$50.00 application fee will be forfeited to the State. The first year rental amount of \$250.00 will be refunded to the applicant.

Special Use Lease Application 953 was rejected by the Director on November 12, and is submitted by Mr. Parmenter on these minutes for record-keeping purposes.

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PRE PUBLIC SALES

REJECTION OF PRE PUBLIC SALE NO. 6822

Bill Reardon, P.O. Box 266, Big Sur, CA 93920. On October 9, 1992, Record of Decision 92-0818-PS6822 was approved by the Director rejecting Pre Public Sale 6822. The \$100.00 application fee will be forfeited to the State. The \$75.00 advertising deposit will be refunded to the applicant.

Pre Sale 6822 was rejected by the Director on October 9, 1992, and is submitted by Mr. Parmenter on these minutes for record-keeping purposes.

PRE PUBLIC SALES (CONT'D)

REJECTION OF PRE PUBLIC SALE NO. 6812

Dean H. Quackenbush, P.O. Box 334, Bluff, UT 84512. On November 12, 1992, Record of Decision No. 92-0826-PS6812, et al, was approved by the Director rejecting Pre Public Sale 6812. The \$100.00 application fee will be forfeited to the State. The \$75.00 advertising and the 10% sealed bid amount of \$747.80 will be refunded to the applicant.

Pre Sale 6812 was rejected by the Director on November 12, 1992, and is submitted by Mr. Parmenter on these minutes for record-keeping purposes.

REJECTION OF PRE PUBLIC SALE NO. 6824

Desert Rose REI, Utah General Partnership, P.O.Box 330, Bluff, UT 84512. On November 12, 1992, Record of Decision No. 92-0826-PS6812, et al, was approved by the Director rejecting Pre Public Sale 6824. The \$100.00 application fee will be forfeited to the State. The 10% sealed bid amount of \$651.00 will be refunded to the applicant.

Pre Sale 6824 was rejected by the Director on November 12, 1992, and is submitted by Mr. Parmenter on these minutes for record-keeping purposes.

REJECTION OF PRE PUBLIC SALE NO. 6826

Ray W. Perkins, 241 West 500 South 59-2, Blanding, UT 84511. On November 12, 1992, Record of Decision No. 92-0826-PS6812, et al, was approved by the Director rejecting Pre Public Sale 6826. The \$100.00 application fee will be forfeited to the State. The 10% sealed bid amount of \$820.00 will be refunded to the applicant.

Pre Sale 6826 was rejected by the Director on November 12, 1992, and is submitted by Mr. Parmenter on these minutes for record-keeping purposes.

REJECTION OF PRE PUBLIC SALE NO. 6827

San Juan County, P.O. Box 9, Monticello, UT 84535. On November 9, 1992, Record of Decision 92-1002-PS6827 was approved by the Director rejecting Pre Public Sale 6827. The \$100.00 application fee will be forfeited to the State. The advertising fee of 100.00 and the 10% sealed bid amount of \$116.02 will be refunded to the applicant.

Pre Sale 6827 was rejected by the Director on November 9, 1992, and is submitted by Mr. Parmenter on these minutes for record-keeping purposes.

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PREDESIGNATION

PREDESIGNATION NO. 39 - PLAN

The following-described land was approved by the Board of State Lands and Forestry on September 25, 1986, as the Dixie General Management Plan :

Townships 41-43 South, Ranges 13-17 West, SLB&M Washington County
For exact legal description see Dixie General Management
Plan, Appendix A 44,653.41 Acres

As this is a predesignation of land, this item is submitted to show this land as being predesignated on all Division records.

Upon Mr. Fullmer's recommendation, the acting Director, Kevin Carter, noted the approval of the predesignation of this land as the Dixie General Management Plan.

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REFUND REQUESTED

Zeigler Chemical - 100 Jericho Quadrangle - Jericho, NY 22753 should have a refund of \$160.00 from lease ML 29108. This lease was not billed for 1993 because the expiration date is December 31, 1992. Zeigler, however, included payment along with several other leases making it necessary to credit the rental in order to take the check.

Upon recommendation of Mr. Johnson, the acting Director, Kevin Carter, approved the refund of \$160.00.

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INTEREST RATE

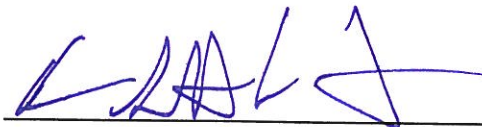
CURRENT YEAR

YEAR AGO

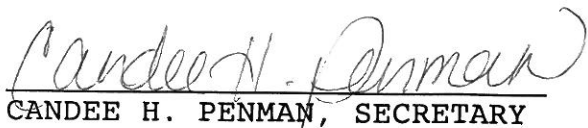
Base Rate

6.00

7.50



KEVIN CARTER, ACTING DIRECTOR
DIVISION OF STATE LANDS & FORESTRY


CANDEE H. PENMAN, SECRETARY

ARCHIVES APPROVAL NO. 7900209